

A Check if: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 required (attach Sch. M-3) <input type="checkbox"/>	Use IRS label. Otherwise, print or type.	Name BANANA GAP RETAILERS	B Employer identification number 40-2222226
		Number, street, and room or suite no. If a P.O. box, see instructions. 253 BLUE MONKEY BOULEVARD	C Date incorporated 09-01-2000
		City or town, state, and ZIP code TYRINGHAM MA 01264	D Total assets (see instructions) \$ 13,095,163

E Check if:	(1) <input type="checkbox"/> Initial return	(2) <input type="checkbox"/> Final return	(3) <input type="checkbox"/> Name change	(4) <input type="checkbox"/> Address change
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Income	1a Gross receipts or sales	76,074,848	b Less returns and allowances		c Bal ▶	1c	76,074,848
	2 Cost of goods sold (Schedule A, line 8)					2	43,366,403
	3 Gross profit. Subtract line 2 from line 1c					3	32,708,445
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (see instructions - attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	32,708,445
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)					12	500,000
	13 Salaries and wages (less employment credits)					13	7,694,617
	14 Repairs and maintenance					14	21,751
	15 Bad debts					15	
	16 Rents					16	3,750,000
	17 Taxes and licenses					17	133,869
	18 Interest					18	1,000,614
	19 Charitable contributions					19	31,250
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					20	69,601
	21 Depletion					21	
	22 Advertising					22	181,250
	23 Pension, profit-sharing, etc., plans					23	
	24 Employee benefit programs					24	
	25 Domestic production activities deduction (attach Form 8903)					25	
	26 Other deductions (attach schedule)				STATEMENT # 5	26	16,793,788
	27 Total deductions. Add lines 12 through 26					27	30,176,740
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	2,531,705
29 Less:	a Net operating loss deduction (see instructions)	29a					
	b Special deductions (Schedule C, line 20)	29b					
		29c					
Tax and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions)					30	2,531,705
	31 Total tax (Schedule J, line 10)					31	860,780
	32a 2005 overpayment credited to 2006	32a					
	b 2006 estimated tax payments	32b					
	c 2006 refund applied for on Form 4466	32c	(d Bal ▶	32d	
	e Tax deposited with Form 7004					32e	
	f Credits: (1) Form 2439 (2) Form 4136					32f	
	g Credit for federal telephone excise tax paid (attach Form 8913)					32g	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	
	34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	860,780
	35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35	
36 Enter amount of line 35 you want: Credited to 2007 estimated tax ▶ Refunded ▶					36		

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer	Date	Title
			PRESIDENT

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed	Preparer's SSN or PTIN
		11-09-2006	<input checked="" type="checkbox"/>	123-45-6789
	Firm's name (or yours if self-employed), address, and ZIP code	EIN		Phone no.
	DRAKE INCOME TAX 235 PALMER STREET FRANKLIN NC 28734-1234	56-1494243	(828) 888-8888	

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	22,500
2	Purchases	2	21,001,402
3	Cost of labor	3	14,986,350
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	7,580,900
6	Total. Add lines 1 through 5	6	43,591,152
7	Inventory at end of year	7	224,749
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	43,366,403

9a Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 SHELDON SHAREHOLDER	400-65-0000	100 %	100 %	%	500,000
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					500,000
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					500,000

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2 860,780
3	Alternative minimum tax (attach Form 4626)		3 0
4	Add lines 2 and 3		4 860,780
5a	Foreign tax credit (attach Form 1118)	5a	
b	Qualified electric vehicle credit (attach Form 8834)	5b	
c	General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	860,780
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10	860,780

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) <u> </u>	Yes	No	7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?	Yes	No
2	See the instructions and enter the: a Business activity code no. <u>448120</u> b Business activity <u>RETAIL SALES</u> c Product or service <u>CLOTHING</u>				If "Yes," enter: (a) Percentage owned <u> </u> and (b) Owner's country <u> </u>		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)		X	c	The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached <u> </u>		
	If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			8	Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . <input type="checkbox"/>		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?				If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
	If "Yes," enter name and EIN of the parent corporation <u>KETTERINGS CREATIVE</u> <u>40-2222225</u>			9	Enter the amount of tax-exempt interest received or accrued during the tax year <u>\$</u> <u> </u>		
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)		X	10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) <u> </u>		
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned <u>100</u>			11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)				If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3) must be attached or the election will not be valid.		
	If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions.			12	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) <u>\$</u> <u> </u>		
	If this is a consolidated return, answer here for the parent corporation and on Form 851 , Affiliations Schedule, for each subsidiary.			13	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?		
					If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. <u>\$</u> <u> </u>		

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				2,121,836
2a	Trade notes and accounts receivable	1,746,054		2,194,146	
b	Less allowance for bad debts	()	1,746,054	()	2,194,146
3	Inventories		22,500		224,749
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)		635,956		651,205
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				133,444
10a	Buildings and other depreciable assets	5,540,507		6,188,334	
b	Less accumulated depreciation	(1,092,673)	4,447,834	(1,162,274)	5,026,060
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		2,654,150		2,654,150
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)		16,719		89,573
15	Total assets		9,523,213		13,095,163
Liabilities and Shareholders' Equity					
16	Accounts payable		264,625		1,301,619
17	Mortgages, notes, bonds payable in less than 1 year		106,500		206,500
18	Other current liabilities (attach schedule)		44,413		119,613
19	Loans from shareholders		6,250		17,500
20	Mortgages, notes, bonds payable in 1 year or more		250,000		871,636
21	Other liabilities (attach schedule)		2,380		58,325
22	Capital stock: a Preferred stock				
	b Common stock	1,496,250	1,496,250	1,496,250	1,496,250
23	Additional paid-in capital		3,178,750		3,178,750
24	Retained earnings-Appropriated (attach schedule)				
25	Retained earnings-Unappropriated		4,305,296		5,976,220
26	Adjustments to shareholder's equity (attach schedule)				
27	Less cost of treasury stock		(131,250)		(131,250)
28	Total liabilities and shareholders' equity		9,523,214		13,095,163

Schedule M-1		Reconciliation of Income (Loss) per Books With Income per Return		
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more-see instructions				
1	Net income (loss) per books	1,670,925	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____
2	Federal income tax per books	860,780		
3	Excess of capital losses over capital gains . .			
4	Income subject to tax not recorded on books this year (itemize): _____			
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation \$ _____ b Charitable contributions \$ _____ c Travel and entertainment \$ _____		8	Deductions on this return not charged against book income this year (itemize): a Depreciation \$ _____ b Charitable contributions \$ _____
6	Add lines 1 through 5	2,531,705	9	Add lines 7 and 8
			10	Income (page 1, line 28)-line 6 less line 9
				2,531,705

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)	
1	Balance at beginning of year
2	Net income (loss) per books
3	Other increases (itemize): _____
4	Add lines 1, 2, and 3
5	Distributions: a Cash b Stock c Property
6	Other decreases (itemize): _____
7	Add lines 5 and 6
8	Balance at end of year (line 4 less line 7)

2006 Form 355C **MA0635211024**
Combined Corporation Excise Return

Year beginning **01012006** Ending **12312006**

BANANA GAP RETAILERS **40-222226**
253 BLUE MONKEY BOULEVAR TYRINGHAM **MA 01264**

1.	Is the corporation incorporated within Massachusetts?	►	X	Yes	No	
2.	Type of corporation	►				
				Section 38 manufacturer	Mutual fund service	
3.	Type of corporation	►				
				R&D	Classified manufacturing	
4.	Is the corporation filing a U.S. consolidated return?		X	Yes	No	
5.	Does the corporation have a new Massachusetts address?		X	Yes	No	
6.	Is the corporation an insurance mutual fund holding corporation?	►		Yes	X No	
7.	Is the corporation requesting alternate apportionment?	►		Yes	X No	
8.	Is this a final Massachusetts return?	►		Yes	X No	
9.	Principal business code		►	9		448120
10.	FID of Massachusetts principal reporting corporation		►	10		40-222225
11.	Average number of employees in Massachusetts			11		440
12.	Average number of employees world wide			12		5411
13.	Date of charter or first date of business in Massachusetts			13		09012000
14.	Last year audited by IRS		►	14		
15.	Have adjustments been reported to Massachusetts?			Yes	X No	
16.	Is the corporation deducting intangible or interest expenses paid to a related entity?	►		Yes	X No	
17.	Is the taxpayer enclosing a Taxpayer Disclosure Statement?	►		Yes	No	

SIGN HERE. Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.

Signature of appropriate officer	Date	Print paid preparer's name	Paid preparer's SSN or PTIN
	06222006	ASHRAF PATEL	123-45-6789
Title		Paid preparer's phone	Paid preparer's EIN
COO		828-888-8888	56-1494243
Are you signing as an authorized delegate of the appropriate officer of the corporation? (see instructions)	X Yes No	Paid preparer's signature	Date Check if self-employed
			11092006 X

PRIVACY ACT NOTICE AVAILABLE UPON REQUEST

11-09-2006 15:07:19

2006 Form 355C, pg. 2**MA0635221024**

Combined Corporation Excise Return

40-2222226

1.	Taxable Massachusetts tangible property, if applicable	▶	521293	x .0026 =	▶ 1	1355
2.	Taxable net worth, if applicable	▶		x .0026 =	▶ 2	
3.	Principal reporting corporation only	▶		x .095 =	▶ 3	
4.	Credit recapture				▶ 4	
5.	Excise before credits				5	1355
6.	Total credits				▶ 6	
7.	Excise after credits				7	1355
8.	Minimum excise				8	456
9.	Excise due before voluntary contribution				9	1355
10.	Voluntary contribution for endangered wildlife conservation				▶ 10	
11.	Excise due plus voluntary contribution				▶ 11	1355
12.	2005 overpayment applied to your 2006 estimated tax				▶ 12	456
13.	2006 Massachusetts estimated tax payments				▶ 13	
14.	Payment made with extension				▶ 14	
15.	Total payments				15	456
16.	Amount overpaid				16	
17.	Amount overpaid to be credited to 2007 estimated tax				▶ 17	
18.	Amount overpaid to be refunded			Refund	▶ 18	
19.	Balance due			Balance due	▶ 19	899
20.	a. M-2220 penalty ▶ 30			b. Late file/pay penalties ▶	a + b = 20	30
21.	Interest on unpaid balance				▶ 21	
22.	Total payment due at time of filing			Total due	▶ 22	929

2006 Schedule A **MA0606011024**
Balance Sheet

BANANA GAP RETAILERS

40-222226

		A. Original cost	B. Accumulated depreciation and amortization	C. Net book value
Tangible Assets				
1.	Capital assets in Massachusetts:			
	a. Buildings ▶ 1a	1249541 ▶	699743	549798
	b. Land ▶ 1b	461250		461250
	c. Motor vehicles and trailers ▶ 1c	346444 ▶	210367	136077
	d. Machinery taxed locally ▶ 1d	21250 ▶	6250	15000
	e. Machinery not taxed locally ▶ 1e	136468 ▶	10420	126048
	f. Equipment ▶ 1f	21789 ▶	4358	17431
	g. Fixtures 1g	31867	9105	22762
	h. Leasehold improvements taxed locally ▶ 1h	19458 ▶	6227	13231
	i. Leasehold improvements not taxed locally 1i	94125	12550	81575
	j. Other fixed depreciable assets 1j	6250	2000	4250
	k. Construction in progress 1k	196882		196882
	l. Total capital assets in Massachusetts ▶ 1l			1624304
2.	Inventories in Massachusetts:			
	a. General merchandise 2a			69121
	b. Exempt goods ▶ 2b			9458
3.	Supplies and other non-depreciable assets in Mass. 3			3224
4.	Total tangible assets in Massachusetts ▶ 4			1706107
5.	Capital assets outside of Massachusetts:			
	a. Buildings and other depreciable assets 5a	3855928	87179	3768749
	b. Land 5b	2192900		2192900
6.	Leaseholds/leasehold improvements outside Mass. 6	208332	114075	94257
7.	Total capital assets outside Massachusetts ▶ 7	6257160 ▶	201254	6055906

2006 Schedule A, pg. 2

MA0606021024

Business or Manufacturing Corporation Excise Return

40-222226

8.	Inventories outside Massachusetts	8	133282
9.	Supplies and other non-depreciable assets outside Massachusetts	9	9664
10.	Total tangible assets outside of Massachusetts	10	6198852
11.	Total tangible assets. Add lines 4 and 10	11	7904959
12.	Investments:		
a.	Investments in subsidiary corporations at least 80% owned (enclose Schedule A-1)	▶ 12a	
b.	Other investments	▶ 12b	133444
13.	Notes receivable	13	651205
14.	Accounts receivable	14	2194146
15.	Intercompany receivables (enclose Schedule A-2)	15	
16.	Cash	16	2121836
17.	Other assets	17	89573
18.	Total assets	▶ 18	13095163

Liabilities and Capital

19.	Mortgages on:		
a.	Massachusetts tangible property taxed locally	19a	570264
b.	Other tangible assets	19b	182622
20.	Bonds and other funded debt	20	118750
21.	Accounts payable	21	1301619
22.	Intercompany payables (enclose Schedule A-3)	▶ 22	17500
23.	Notes payable	23	206500
24.	Miscellaneous current liabilities	24	119613
25.	Miscellaneous accrued liabilities	25	58325
26.	Total liabilities	▶ 26	2575193
27.	Total capital stock issued	27	1496250
28.	Paid-in or capital surplus	28	3178750
29.	Retained earnings and surplus reserves	29	5756901
30.	Undistributed S corporation net income	30	219319
31.	Total capital	31	10651220
32.	Treasury stock	32	131250
33.	Total liabilities and capital	33	13095163

2006 Schedule B **MA0606111024**
Tangible or Intangible Property Corp. Classification

BANANA GAP RETAILERS

40-2222226

1.	Total Massachusetts tangible property	1	1706107
2.	Massachusetts real estate	2	1011048
3.	Massachusetts motor vehicles and trailers	3	136077
4.	Massachusetts machinery taxed locally	4	15000
5.	Massachusetts leasehold improvements taxed locally	5	13231
6.	Massachusetts tangible property taxed locally	▶ 6	1175356
7.	Massachusetts tangible property not taxed locally	7	530751
8.	Total assets	8	13095163
9.	Massachusetts tangible property taxed locally	9	1175356
10.	Total assets not taxed locally	10	11919807
11.	Investments in subsidiaries at least 80% owned	11	
12.	Assets subject to allocation	12	11919807
13.	Income apportionment percentage	13	0.239843
14.	Allocated assets	▶ 14	2858882
15.	Tangible property percentage	15	0.185650

Schedule C. Tangible Property Corporation

1.	Total Massachusetts tangible property	1	1706107
2.	Exempt Massachusetts tangible property:		
a.	Massachusetts real estate	2a	1011048
b.	Massachusetts motor vehicles and trailers	2b	136077
c.	Massachusetts machinery taxed locally	2c	15000
d.	Massachusetts leasehold improvements taxed locally	2d	13231
e.	Exempt goods	2e	9458
f.	Certified Massachusetts industrial waste/air treatment facilities	2f	
g.	Certified Massachusetts solar or wind power deduction	2g	
3.	Total exempt Massachusetts tangible property	3	1184814
4.	Taxable Massachusetts tangible property	4	521293

2006 Schedule D

MA0606211024

Intangible Property Corporation

40-2222226

1.	Total assets	1
2.	Total liabilities	2
3.	Massachusetts tangible property taxed locally	3
4.	Mortgages on Massachusetts tangible property taxed locally	4
5.	Subtract line 4 from line 3	5
6.	Investments in subsidiaries at least 80% owned	6
7.	Deductions from total assets	7
8.	Allocable net worth	8
9.	Income apportionment percentage	9
10.	Taxable net worth	10

Schedules E-1. Dividends Deduction

1.	Total dividends	1
2.	Dividends from Massachusetts corporate trusts	2
3.	Dividends from non-wholly-owned DISCs	3
4.	Dividends, if less than 15% of voting stock owned	4
5.	Total taxable dividends	5
6.	Dividends eligible for deduction	6
7.	Dividends deduction	7

2006 Schedule CD**MA0606311024**

Corporate Disclosure

40-2222226

1.	Charitable contributions	▶ 1	31250
2.	Federal research expense allowed under IRC section 174, plus research credit allowed under IRC section 41	▶ 2	
3.	Accelerated depreciation allowed as a federal deduction:		
a.	Equipment	▶ 3a	36440
b.	Rental housing	▶ 3b	
c.	Buildings other than rental housing	▶ 3c	8161
d.	Pollution control facilities	▶ 3d	
4.	Depreciation included in line 3:		
a.	Equipment	▶ 4a	
b.	Rental housing	▶ 4b	
c.	Buildings other than rental housing	▶ 4c	
d.	Pollution control facilities	▶ 4d	
5.	Accelerated depreciation less standard depreciation:		
a.	Equipment	5a	36440
b.	Rental housing	5b	
c.	Buildings other than rental housing	5c	8161
d.	Pollution control facilities	5d	

2006 Schedule A-3**MA0609511024**

Intercompany Payables

BANANA GAP RETAILERS**40-222226**

	A. NAME OF AFFILIATE	B. FEDERAL IDENTIFICATION NUMBER	C. AMOUNT OF INTERCOMPANY PAYABLES
1.	MONKEY SHINE MANUFAC	40222227	17500
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29.	Total intercompany payables	29	17500

2006 Schedule CG

MA0606511024

Combined Group Schedule

BANANA GAP RETAILERS

40-2222226

253 BLUE MONKEY BOULEVAR TYRINGHAM

MA 01264

Total Tax Due and Payments

1.	Total excise due	1	735277
2.	Overpayment	2	564280
3.	First quarter estimated tax payments	3	17300
4.	Second quarter estimated tax payments	4	
5.	Third quarter estimated tax payments	5	
6.	Fourth quarter estimated tax payments	6	
7.	Amount paid with extension	7	
8.	Amount paid with return	8	153697
9.	Amount overpaid to be credited to 2007 estimated tax	9	
10.	Amount overpaid to be refunded	10	

Principal Reporting Corporation

Fill in if same principal reporting corporation as last year

1.	Total excise due			1	675043
2.	Overpayment	Actual	555288	Allocated	555288
3.	First quarter estimated tax payments	Actual	17300	Allocated	17300
4.	Second quarter estimated tax payments	Actual		Allocated	
5.	Third quarter estimated tax payments	Actual		Allocated	
6.	Fourth quarter estimated tax payments	Actual		Allocated	
7.	Amount paid with extension	Actual		Allocated	
8.	Amount paid with return			8	102455
9.	Amount overpaid to be credited to 2007 estimated tax			9	
10.	Amount overpaid to be refunded			10	

2006 Schedule CG, pg. 2
MA0606521024

Combined Group Schedule
40-222226

First Subsidiary Corporation FID

402222226

1.	Total excise due			1	1355
2.	Overpayment	Actual	456	Allocated	456
3.	First quarter estimated tax payments	Actual		Allocated	
4.	Second quarter estimated tax payments	Actual		Allocated	
5.	Third quarter estimated tax payments	Actual		Allocated	
6.	Fourth quarter estimated tax payments	Actual		Allocated	
7.	Amount paid with extension	Actual		Allocated	
8.	Amount paid with return			8	899
9.	Amount overpaid to be credited to 2007 estimated tax			9	
10.	Amount overpaid to be refunded			10	

Second Subsidiary Corporation FID

402222227

1.	Total excise due			1	58879
2.	Overpayment	Actual	8536	Allocated	8536
3.	First quarter estimated tax payments	Actual		Allocated	
4.	Second quarter estimated tax payments	Actual		Allocated	
5.	Third quarter estimated tax payments	Actual		Allocated	
6.	Fourth quarter estimated tax payments	Actual		Allocated	
7.	Amount paid with extension	Actual		Allocated	
8.	Amount paid with return			8	50343
9.	Amount overpaid to be credited to 2007 estimated tax			9	
10.	Amount overpaid to be refunded			10	

Third Subsidiary Corporation FID

Fill in if attaching additional page(s) for additional subsidiaries

1.	Total excise due			1	
2.	Overpayment	Actual		Allocated	
3.	First quarter estimated tax payments	Actual		Allocated	
4.	Second quarter estimated tax payments	Actual		Allocated	
5.	Third quarter estimated tax payments	Actual		Allocated	
6.	Fourth quarter estimated tax payments	Actual		Allocated	
7.	Amount paid with extension	Actual		Allocated	
8.	Amount paid with return			8	
9.	Amount overpaid to be credited to 2007 estimated tax			9	
10.	Amount overpaid to be refunded			10	

2006 Schedule E-CG**MA05ECG11024**

Taxable Income of Combined Filers

BANANA GAP RETAILERS**40-2222226**

1.	Gross receipts or sales	▶ 1	76074848
2.	Gross profit	▶ 2	32708445
3.	Other deductions	▶ 3	16793788
4.	Net income	▶ 4	2531705
5.	Allowable U.S. wage credit	▶ 5	
6.	Subtract line 5 from line 4	6	2531705
7.	State and municipal bond interest not included in U.S. net income	▶ 7	
8.	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	▶ 8	43870
9.	Section 168(k) "bonus" depreciation adjustment	▶ 9	
10.	Section(s) 31I and 31K intangible expenses	▶ 10	
11.	Section(s) 31J and 31K interest expenses	▶ 11	
12.	Federal production activity add back	▶ 12	
13.	Other adjustments, including research and development expenses	▶ 13	
14.	Add lines 6 through 13	14	2575575
15.	Abandoned building renovation deduction	x .10 = ▶ 15	
16.	Dividends deduction	▶ 16	
17.	Add back of intangible expenses exception	▶ 17	
18.	Add back of interest expenses exception	▶ 18	
19.	Subtract the total of lines 15 through 18 from line 14	19	2575575
20.	Loss carryover	▶ 20	
21.	Income subject to apportionment	▶ 21	2575575
22.	Income apportionment percentage	▶ 22	0.239843
23.	Multiply line 21 by line 22	23	617734
24.	Income not subject to apportionment	▶ 24	
25.	Certified Massachusetts solar or wind power deduction	▶ 25	
26.	Massachusetts taxable income	26	617734
27.	Income tax for the purpose of determining allowable credits	▶ 27	58480
28.	Non-income measure tax due and credit recapture	28	1355
29.	Total excise due for the purpose of determining allowable credits	29	59835
30.	Total credits used	30	

MA0606611024

40-222226

Section 38 manufacturer

Mutual fund service corporation reporting sales of mutual funds only

Mutual fund service corporation reporting sales of non-mutual funds

Other

Enclosing additional copies of Schedule F

ACCEPTS	REG.IN	FILES IN
ORDERS	STATE	STATE

1.	Tangible property				
	a. Property owned	► Massachusetts	1237462	Worldwide	5733571
	b. Property rented	► Massachusetts	22500000	Worldwide	30000000
	c. Total property owned and rented	Massachusetts	23737462	►Worldwide	35733571
	d. Tangible property apportionment percentage			1d	0.664290
2.	Payroll				
	a. Total payroll	► Massachusetts	4795242	►Worldwide	23180967
	b. Payroll apportionment percentage			2b	0.206861
3.	Sales				
	a. Tangible (destination)	► Massachusetts	3187949		
	b. Tangible (throw back)	► Massachusetts		Worldwide	72271106
	c. Services	► Massachusetts	167787	Worldwide	3803742
	d. Rents and royalties	► Massachusetts		Worldwide	
	e. Other sales factors	► Massachusetts		►Worldwide	
	f. Total sales factors	Massachusetts	3355736	►Worldwide	76074848
	g. Sales apportionment percentage			3g	0.044111
4.	Apportionment percentage			4	0.959373
5.	Massachusetts apportionment percentage			5	0.239843